



## SOUTHEASTERN CONNECTICUT'S ECONOMIC DEVELOPMENT ORGANIZATIONS

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### PLANNING REGIONS

This report describes the types of public and private organizations that provide economic development assistance in 63 contiguous eastern Connecticut municipalities. In doing so, it groups the municipalities by state planning regions, of which there are nine.

The secretary of the Office of Policy and Management must identify and designate such regions at least once every 20 years to address various goals, including improving planning coordination and regionally delivering government services ([CGS § 16a-4c](#)).

The nine regions are Capitol Region, Greater Bridgeport, Lower Connecticut River Valley, Naugatuck Valley, Northeastern Connecticut, Northwest Hills, South Central Connecticut, Southeastern Connecticut, and Western Connecticut. More information about the regions is available at:

<http://www.ct.gov/opm/cwp/view.asp?q=383046>

### ISSUE

This report identifies the types of economic development organizations operating in 63 selected eastern Connecticut municipalities, summarizes studies and plans on the region's economy, and offers models to increase inter-organization coordination.

### SUMMARY

At least 13 types of public and private organizations provide different types of economic development assistance in the 63 selected eastern Connecticut municipalities (see Attachment 1). They include local chambers of commerce, nonprofit economic development corporations, and state and federal economic development agencies. The assistance they provide includes analyzing local and regional economic trends, marketing and promoting local and regional assets, and providing technical and financial assistance to businesses.

Most of the municipalities have local economic development commissions; few have economic development departments, local nonprofit economic development corporations, or local chambers of commerce. Some municipal websites identify the first selectman, the town planner, or other official as the economic development coordinator. Most of the other organizations operate at the regional level, offering services to businesses in several municipalities. The

distribution of local and regional organizations appears to reflect the fact that most of the selected municipalities have relatively small populations and relatively large land areas (see Attachment 2).

State-commissioned studies examining southeastern Connecticut's economic strengths and vulnerabilities stress the need to diversify the region's economy by marketing its assets, strengthening regional cooperation, and stimulating and supporting business startups.

These studies generally recommend that the region's economic development organizations make it easier for entrepreneurs and small business owners to identify and access their services. The organizations can do this by creating a group of "broker-agents" located throughout the region to help businesses assess their needs, identify the organizations that can address them, and help the businesses access the organizations' services.

Alternatively, the organizations can organize themselves as a network in which each member functions as a broker-agent for the entire network. Network members would share information about their services, assess businesses seeking assistance based on a standard assessment tool, and help the businesses access the network member that can best address their needs. Besides a standard assessment tool, the network's other elements might include, an electronic database of economic development services and contacts and a procedure for referring businesses to other network members.

## **EASTERN CONNECTICUT ECONOMIC DEVELOPMENT ORGANIZATIONS**

### ***Selected Municipalities***

The number and type of economic development organizations serving a region partly depend on its relative economic development needs and its capacity to address them. The 63 selected eastern Connecticut municipalities are home to over 700,000 people (about 20% of the state's population) and comprise almost 2,000 square miles (roughly, 36% of the state's land area). Their average population is 11,341, but 37 municipalities (58%) have fewer than 10,000 people. Their average land area is 31.5 square miles, with 33 municipalities (52%) each covering over 30 square miles. Attachment 2 provides the total population and square miles for each selected municipality, grouped by planning region. Table 1 totals this data by planning region.

**Table 1: Population, Square Miles, and Municipalities in Selected Eastern Connecticut Planning Regions**

<i>Planning Region</i>	<i>Total Municipalities</i>	<i>Selected Municipalities</i>			
		<i>Total Municipalities</i>	<i>Total Population</i>	<i>Square Miles</i>	<i>Municipalities</i>
Capitol Region	38	10	138,514	346.55	Columbia, Coventry, Ellington, Hebron, Mansfield, Marlborough, Stafford, Tolland, Vernon, and Willington
South Central	15	4	83,077	129.87	Branford, Guilford, Madison, and North Branford
Lower CT Valley	17	14	109,607	358.03	Chester, Clinton, Deep River, Durham, East Haddam, East Hampton, Essex, Haddam, Killingworth, Lyme, Old Lyme, Old Saybrook, Portland, and Westbrook
Southeastern CT	19	19	286,711	598.06	Bozrah, Colchester, East Lyme, Franklin, Griswold, Groton, Lebanon, Ledyard, Lisbon, Montville, New London, North Stonington, Norwich, Preston, Salem, Sprague, Stonington, Waterford, and Windham
Northeast	16	16	96,617	553.70	Ashford, Brooklyn, Canterbury, Chaplin, Eastford, Hampton, Killingly, Plainfield, Pomfret, Putnam, Scotland, Sterling, Thompson, Union, Voluntown, and Woodstock
Total	105	63	714,526	1,986.2	Not Applicable

***Types of Economic Development Organizations***

Public and private organizations provide economic development assistance ranging from economic analysis (e.g., nonprofit Connecticut Economic Resource Center) to low-interest business loans and technical assistance (e.g., federal Small Business Administration). Some serve businesses in specified geographic areas. These organizations include local and regional nonprofit economic development

corporations. Table 2 identifies the types of economic development organizations that operate in the 63-municipality region and the services they provide.

**Table 2: Types of Economic Development Organizations in Eastern Connecticut and their Services**

<b>Organization or Organizational Type</b>	<b>Sector</b>	<b>Geographic Scope</b>	<b>Services</b>
Chambers of Commerce	Nonprofit	Local, Regional, and Statewide	Advocacy Information Marketing and Promotion Technical Assistance
Community Economic Development Fund	Nonprofit	Targeted Municipalities Statewide	Financial Assistance
Community Investment Fund	Nonprofit	Statewide	Financial Assistance
Connecticut Economic Resource Center	Nonprofit	Statewide	Analysis Information and Referral
Connecticut Innovations	Government (State)	Venture and Financial Capital	Statewide
Connecticut Main Street Center *	Nonprofit	Statewide Membership Organization	Technical Assistance
Connecticut Small Business Development Centers	Government (Federal-State)	Statewide	Technical Assistance
Councils of Government	Government	Regional	Planning
Department of Economic and Community Development	Government (State)	Statewide	Financial Assistance Research
Economic Development Commissions	Government (Municipal)	Local	Promotion Economic Analysis
Nonprofit Economic Development Corporations	Nonprofit	Regional	Financial and Technical Assistance
Small Business Administration	Government (Federal)	Statewide	Financial and Technical Assistance
Regional Tourism Districts	Nonprofit	Regional	Marketing and Promotion

\* Connecticut Main Street Center's current members include the following southeastern Connecticut municipalities:

- Mansfield/Storrs
- Putnam
- Vernon/Rockville
- Westbrook
- Willimantic (Windham)

### ***Organizations Operating in the Region***

As Table 3 shows, local economic development commissions (EDCs) and regional councils of government (COGs), regional chambers of commerce, and regional economic development corporations are the region's most common types of economic development organizations.

**Table 3: Type and Number of Economic Development Organizations Operating in Selected Municipalities by Planning Region**

Region	Municipal		Local Nonprofit			Regional				
	EDC.	Eco Dev. Dept.	Chamber or Bus. Assoc.	Dev. Corp.	Main St.	COG	Chamber	Nonprofit Dev. Corp.	Reg. Tourism Districts	Other
Capitol	10	0	2	3	2	1	2	1 serving 4 towns	1, serving 3 towns 1, serving 5 towns	2 serving 4 towns
South Central	4	1	4	0	0	1	0	1 serving 4 towns	0	0
Lower CT Valley	11	0	4	0	1	1	1	1 serving 1 town	1, serving 9 towns 1, serving 2 towns	1 serving 11 towns
Southeastern	13	4	2	2	1	1	3 serving different groups of overlapping towns	1 serving 17 towns and 1 serving 2 towns	1, serving 19 towns	1 serving 8 towns
Northeast	11	2	0	0	1	1	5 serving different groups of overlapping towns	1 serving 14 towns	1, serving 16 towns	1 serving 11 towns

EDCs are municipal advisory bodies consisting of five to 15 members. Their duties include researching economic conditions and trends and advising local officials about how to improve the economy ([CGS § 7-136](#)). They operate in 49 of the region’s municipalities (77%). Relatively few of the region’s municipalities have economic development departments or locally based chambers of commerce and nonprofit economic development corporations.

Most of the region’s economic development organizations operate at a regional level. COGs, which operate in each of the state’s nine planning regions, advise their municipal members about a wide range of social and economic trends. The municipalities’ chief elected officials comprise each council, whose scope includes economic development, tourism promotion, housing, vocational training and development, and transportation.

Most of the region’s nonprofit economic development corporations also operate at a regional level, providing financial and technical assistance to relocating or expanding businesses. The Northeast Economic Alliance and the Southeastern Connecticut Enterprise Region Corporation assist businesses in different state planning regions. Regional chambers of commerce serve most of the businesses in the selected municipalities by providing information, technical assistance, and advocacy services. Several chambers in the southeastern and northeast planning regions serve businesses in overlapping groups of municipalities.

Table 4 lists the regional organizations operating in the selected planning regions.

**Table 4: Number of Regional Economic Development Organizations Operating in Eastern Connecticut by State Planning Region**

<i>Regional Organization</i>	<i>Region</i>				
	<i>Capitol</i>	<i>South Central</i>	<i>Lower Connecticut Valley</i>	<i>Southeastern</i>	<i>Northeastern</i>
Capitol Region Council of Governments	10				
Route 6 Regional Economic Development Council	2				
Tolland County Chamber of Commerce	9				2
South Central Regional Council of Governments		4			
South Central Connecticut Regional Economic Development Corporation		4			
Lower Connecticut River Valley Council of Governments			14		
Middlesex County Chamber of Commerce			9		
Middlesex County Revitalization Commission			11		
Southeastern Connecticut Enterprise Region Corporation			1	17	
Southeastern Connecticut Council of Governments				19	
Eastern Connecticut Chamber of Commerce				18	15
Greater Norwich Area Chamber of Commerce				10	1

Table 4 (Cont.)

<i>Regional Organization</i>	<i>Region</i>				
	<i>Capitol</i>	<i>South Central</i>	<i>Lower Connecticut Valley</i>	<i>Southeastern</i>	<i>Northeastern</i>
Windham Region Chamber of Commerce	4			2	3
Northeast Connecticut Council of Governments					15
Northeastern Connecticut Chamber of Commerce					9
Central Regional Tourism District, Connecticut River Valley	5		9	19	
Eastern Regional Tourism District	3		2		16

Attachments 3-7 identify the types and numbers of local, regional, and statewide economic development organizations operating in each of the selected municipalities sorted by planning region.

### **STATE INITIATIVES IN SOUTHEASTERN CONNECTICUT**

Several state-commissioned studies since 2005 have focused on southeastern Connecticut’s economy, identifying its strengths and major challenges.

#### ***Sub Base-Electric Boat Economic Impact***

A May 2005 Department of Economic and Community Development study found that the Groton Naval Sub Base and Electric Boat together contributed about \$3.3 billion to the Connecticut’s gross state product and created over 31,500 direct and indirect jobs ([\*The Contribution of the Groton Naval Sub Base and the Electric Boat Company to the Economics of Connecticut and Southeastern Connecticut\*](#)).

In November 2005, after the U.S. Defense Department removed the sub base from the list of proposed military base closings, Governor Rell created a commission to recommend how to make the sub base less vulnerable to closure efforts while strengthening the region’s economy. The commission’s December 2005 report identified the region’s economic strengths, but cautioned:

...despite its merits, the region faces imminent and growing challenges to its economic future. Threats abound from cuts in national defense to growing reliance on lower-income wage gaming and tourism industries. The area is vulnerable to the vagaries of global employers and a rapidly changing workforce, some of the most skilled of whom are leaving the area for a wider array of job opportunities or more affordable housing ([\*Governor’s Commission for the Economic Diversification of Southeastern Connecticut: Final Report\*](#)).

Consequently, the commission recommended that the region develop marketing plans and strengthen regional cooperation.

## ***Bioscience***

Bioscience is southeastern Connecticut's other economic pillar, and its impact was felt in 2011 when Groton-based Pfizer announced it would lay off about 25% of its workforce. In 2013, the legislature required the quasi-public Connecticut Innovations, Inc. (CII) to prepare a plan to help the region develop new bioscience and pharmaceutical businesses ([PA 13-247, § 72](#)). CII retained Aria Management Consulting, LLC and Connecticut United for Research Excellence to prepare the plan.

The December 2013 plan recommended steps to retain "highly educated, non-retired scientists" before they left the region to find jobs in their fields (*Southeastern CT Bioscience Capabilities Assessment Report*). Like the earlier studies that focused on the region's defense sector, the plan cited "the region's lack of aggressive marketing about its positives," plus "the lack of an avenue for well-rooted substantially-talented individuals to systematically connect, learn about how to grow businesses and how to access the CT innovation ecosystem" as significant problems.

Although the region has services to address these needs, they are "diffuse." Entrepreneurs for example, need different types of services, including preparing business plans, finding workspace, and securing financing. These services are often provided by different organizations, thus requiring entrepreneurs themselves to identify the appropriate organizations and coordinate the delivery of the services.

To address this challenge, the plan recommended:

Focused efforts supported by the state in promoting interaction of cross discipline talent; accessing experienced entrepreneurs to channel good ideas into companies; establishing an affordable place to incubate early concepts/ideas, integrating the region more visibly to statewide efforts, and promoting increased awareness of resources.

## **SERVICE COORDINATION**

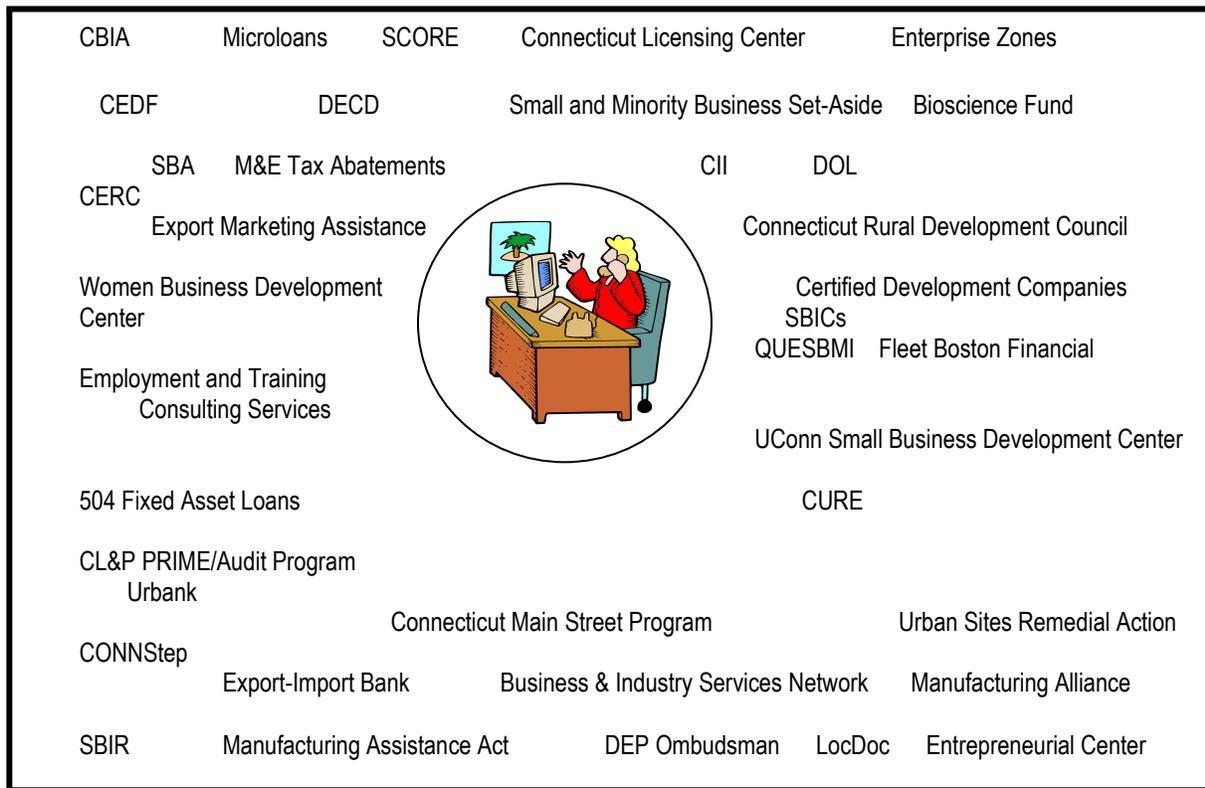
### ***Context***

The studies and plans seem to agree that Southeastern Connecticut's strength in the defense and pharmaceuticals sectors also makes it vulnerable to forces beyond the region's control, including defense cuts and pharmaceutical industry restructuring. By diversifying the economy before these forces play out, the studies

suggested, the region could simultaneously promote economic growth and cushion their impact.

One way the region could diversify the economy is by helping entrepreneurs and small businesses. But as Figure 1 shows, the number and type of economic development organizations could pose a barrier to entrepreneurs and small business operators who lack the time needed to identify, access, and coordinate services provided by multiple providers.

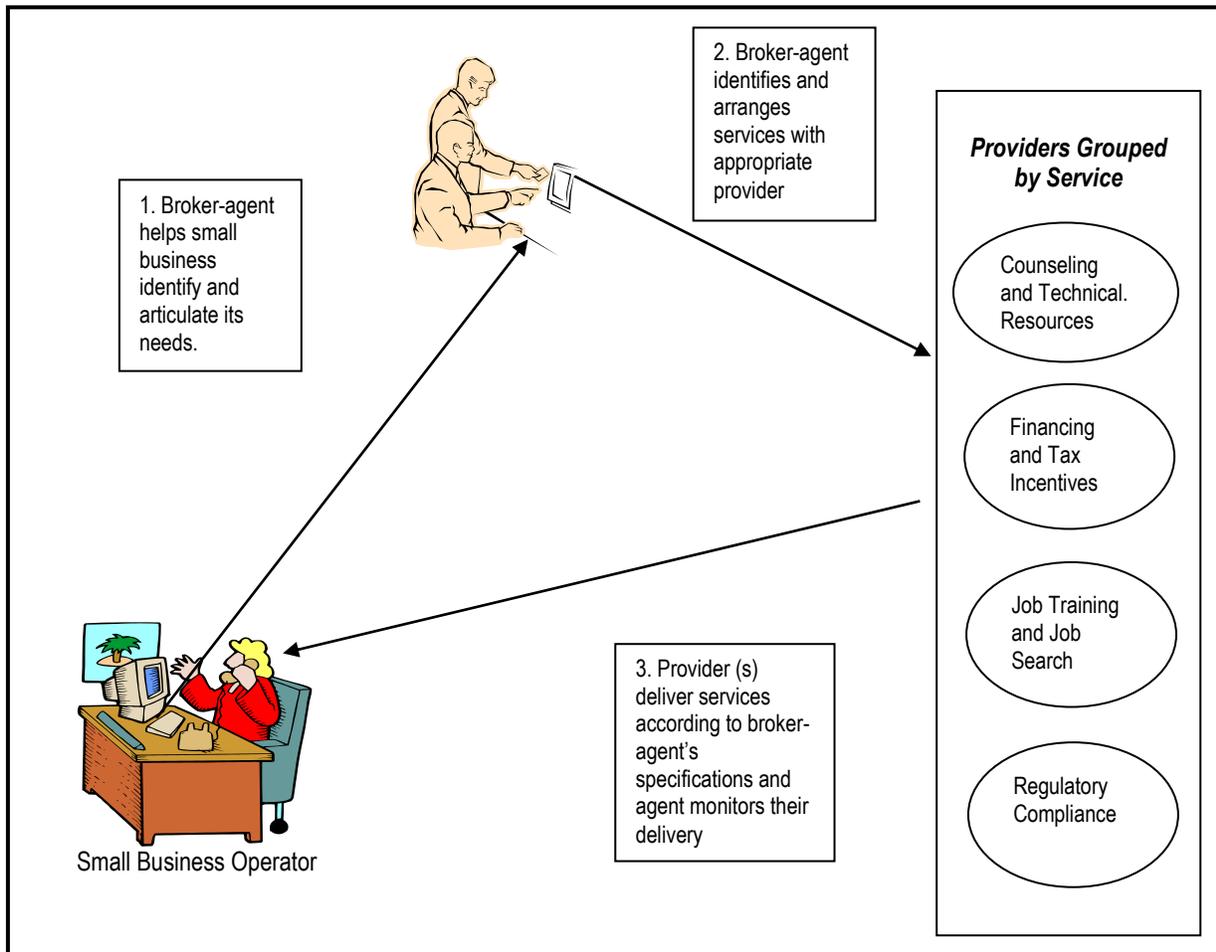
**Figure 1: Business Assistance Gap**



**Broker-Agent Model**

A broker-agent model helps different organizations coordinate their services by treating them as components of an integrated service delivery system. The model does this by using broker-agents to assess customer needs and identify the organizations that can best address those needs. Figure 2 shows how the agents act as go-between customers and service organizations.

**Figure 2: Broker-Agent System**



### **Network Model**

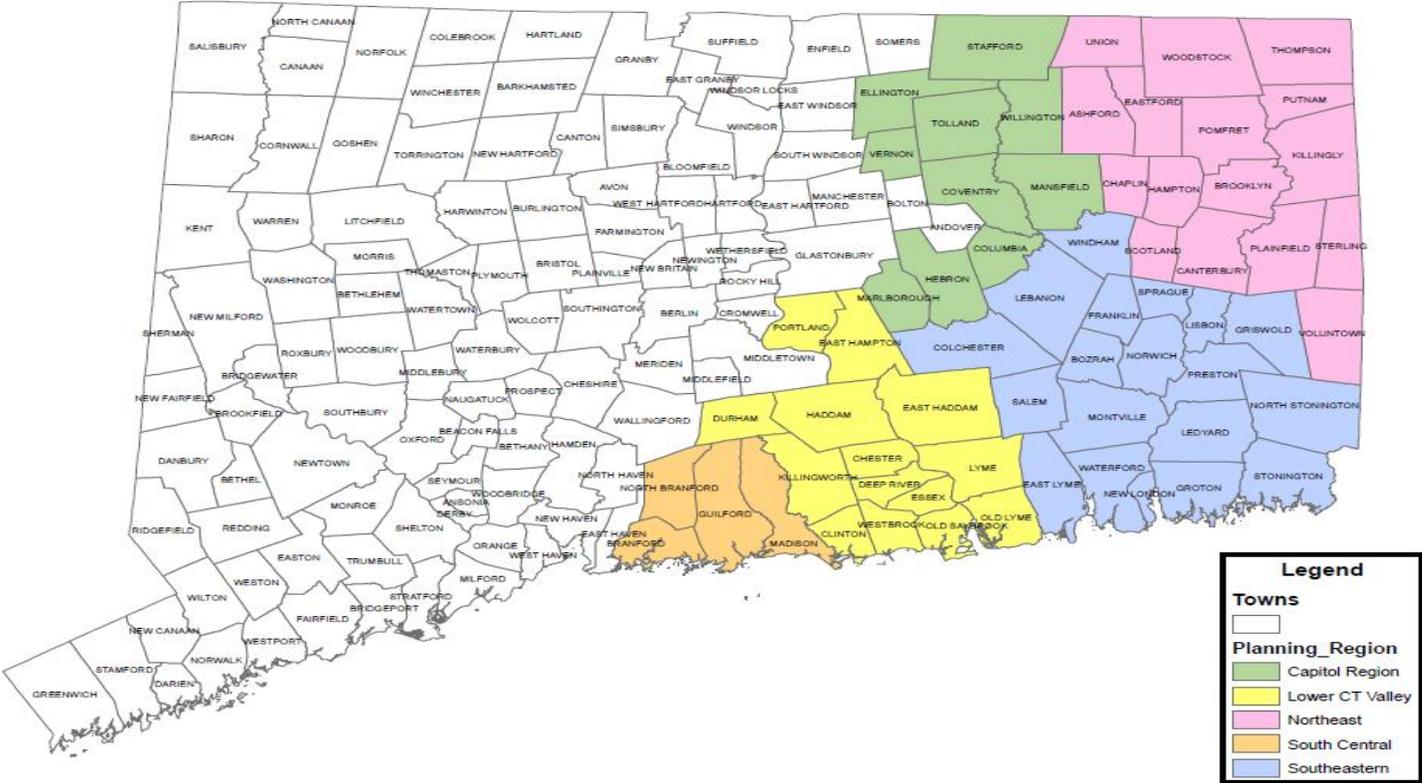
The network model is a variation of the broker-agent model. Instead of relying on one or more groups of broker-agents to screen and refer customers, each network member performs these tasks for the entire network. Network members can perform these tasks because they know each member's services and the requirements a business must meet to receive them.

For example, a small business development center specializing in helping entrepreneurs prepare business plans also assesses the needs of a business seeking financial assistance. The center does so by using a standard assessment tool and accessing a database of local, regional, and state service providers. The center uses this information to help the business identify and access the network member that provides working capital loans. One advantage of the network model is that the members do not have to hire and train separate staff broker-agents.

The broker-agent and network models require organizations to share information about their products and services and use standard procedures to assess customers and refer them to the appropriate organizations. The models might require an inter-organization group to monitor and evaluate the organizations' performance.

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Attachment 1: Selected Eastern Connecticut Municipalities, by Planning Region



**Attachment 2: Population and Square Miles for Selected Southeastern Connecticut Municipalities, by  
Planning Regions**

<b>Capitol Region</b>		
<b>Selected Municipalities</b>	<b>Total Population</b>	<b>Square Miles</b>
Columbia	5,485	21.37
Coventry	12,435	37.57
Ellington	15,602	34.06
Hebron	9,686	36.94
Mansfield	26,543	44.60
Marlborough	6,404	23.35
Stafford	12,087	58.04
Tolland	15,052	39.63
Vernon	29,179	17.70
Willington	6,041	33.29
Regional Totals	138,514	346.55
<b>South Central Planning Region</b>		
<b>Selected Municipalities</b>	<b>Total Population</b>	<b>Square Miles</b>
Branford	28,026	21.84
Guilford	22,375	47.12
Madison	18,269	36.15
North Branford	14,407	24.76
Regional Totals	83,077	129.87
<b>Lower Connecticut Valley Planning Region</b>		
<b>Selected Municipalities</b>	<b>Total Population</b>	<b>Square Miles</b>
Chester	3,994	16.05
Clinton	13,260	16.21
Deep River	4,629	13.51
Durham	7,388	23.66
East Haddam	9,126	54.25
East Hampton	12,959	35.65
Essex	6,683	10.40
Haddam	8,346	43.94
Killingworth	6,525	35.33
Lyme	2,406	31.84
Old Lyme	7,603	23.02
Old Saybrook	10,242	15.04
Portland	9,508	23.35
Westbrook	6,938	15.78
Totals	109,607	358.03

**Attachment 2 (Cont.)**

<b>Southeastern Connecticut Planning Region</b>		
<b>Selected Municipalities</b>	<b>Total Population</b>	<b>Square Miles</b>
Bozrah	2,627	19.97
Colchester	16,068	48.98
East Lyme	19,159	34.00
Franklin	1,922	19.49
Griswold	11,951	34.71
Groton—Town & City	40,115	31.03
Lebanon	7,308	54.10
Ledyard	15,051	38.22
Lisbon	4,338	16.29
Montville	19,571	41.95
New London	27,620	5.62
North Stonington	5,297	54.25
Norwich	40,493	28.06
Preston	4,726	30.82
Salem	4,151	28.92
Sprague	2,984	13.25
Stonington	18,545	38.66
Waterford	19,517	32.77
Windham	25,268	26.97
Regional Totals	286,711	598.06
<b>Northeast Connecticut Planning Region</b>		
<b>Selected Municipalities</b>	<b>Total Population</b>	<b>Square Miles</b>
Ashford	4,317	38.76
Brooklyn	8,210	29.09
Canterbury	5,132	39.95
Chaplin	2,305	19.43
Eastford	1,749	28.92
Hampton	1,863	25.09
Killingly	17,370	48.31
Plainfield	15,405	42.36
Pomfret	4,247	40.33
Putnam	9,584	20.30
Scotland	1,726	18.63
Sterling	3,830	27.22
Thompson	9,458	46.90
Union	854	28.80
Voluntown	2,603	38.96
Woodstock	7,964	60.65
Totals	96,617	553.70
Southeastern Connecticut Totals	714,526 (20% of state population)	1,986.21 (36% of state square miles)

**Attachment 3: Economic Development Organizations Operating in Selected Capitol Region Municipalities**

<i><b>Municipality</b></i>	<i><b>Municipal</b></i>		<i><b>Local Nonprofit Business Association</b></i>			<i><b>Regional Organizations</b></i>			
	<i><b>EDC</b></i>	<i><b>Dept.</b></i>	<i><b>Chamber</b></i>	<i><b>Bus. Assoc.</b></i>	<i><b>Eco. Dev. Corp.</b></i>	<i><b>COG</b></i>	<i><b>Chamber</b></i>	<i><b>Eco. Dev. Corp.</b></i>	<i><b>Other Entity</b></i>
Columbia	X					X	X	X	X
Coventry	X					X	X	X	X
Ellington	X					X	X		X
Hebron	X					X	X		X
Mansfield	X				X	X	X	X	X
Marlborough	X			X		X			X
Stafford	X					X	X		
Tolland	X				X	X	X		X
Vernon	X				X	X	X		X
Willington	X					X	X	X	X

**Attachment 4: Economic Development Organizations Operating in Selected South Central Planning Region Municipalities**

<i><b>Municipality</b></i>	<i><b>Municipal</b></i>		<i><b>Local Nonprofit Business Association</b></i>			<i><b>Regional Organizations</b></i>			
	<i><b>EDC</b></i>	<i><b>Dept.</b></i>	<i><b>Chamber</b></i>	<i><b>Bus. Assoc.</b></i>	<i><b>Eco. Dev. Corp.</b></i>	<i><b>COG</b></i>	<i><b>Chamber</b></i>	<i><b>Eco. Dev. Corp.</b></i>	<i><b>Other Entity</b></i>
Branford	X	X	X			X		X	
Guilford	X		X			X		X	
Madison	X		X			X		X	
North Branford	X		X			X		X	

**Attachment 5: Economic Development Organizations Operating in Selected Lower Connecticut Valley Planning Region Municipalities**

<i>Municipality</i>	<i>Municipal</i>		<i>Local Nonprofit Business Association</i>			<i>Regional Organizations</i>			
	<i>EDC</i>	<i>Dept.</i>	<i>Chamber</i>	<i>Bus. Assoc.</i>	<i>Eco. Dev. Corp.</i>	<i>COG</i>	<i>Chamber</i>	<i>Eco. Dev. Corp.</i>	<i>Other Entity</i>
Chester	X					X	X		X
Clinton	X		X			X			X
Deep River	X					X	X		X
Durham	X					X	X		X
East Haddam	X					X	X		X
East Hampton	X					X	X		X
Essex	X					X	X		X
Haddam	X					X	X		X
Killingworth			X			X			X
Lyme			X			X		X	X
Old Lyme	X		X			X			X
Old Saybrook	X		X	X		X			X
Portland	X					X	X		X
Westbrook						X	X		X

**Attachment 6: Economic Development Organizations Operating in Southeastern Planning Region Municipalities**

<i>Municipality</i>	<i>Municipal</i>		<i>Local Nonprofit Business Association</i>			<i>Regional Organizations</i>			
	<i>EDC</i>	<i>Dept.</i>	<i>Chamber</i>	<i>Bus. Assoc.</i>	<i>Eco. Dev. Corp.</i>	<i>COG</i>	<i>Chamber</i>	<i>Eco. Dev. Corp.</i>	<i>Other Entity</i>
Bozrah						X	X	X	X
Colchester	X			X		X	X	X	X
East Lyme	X					X	X	X	X
Franklin						X	X	X	X
Griswold	X					X	X	X	X
Groton	X	X		X		X	X	X	X
Lebanon	X					X	X	X	X
Ledyard	X					X	X	X	X
Lisbon						X	X	X	X
Montville	X					X	X	X	X
New London		X			X	X	X	X	X
North Stonington	X					X	X	X	X
Norwich					X	X	X	X	X
Preston		X				X	X	X	X
Salem	X					X	X	X	X
Sprague	X					X	X	X	X
Stonington	X					X	X	X	X
Waterford	X					X	X	X	X
Windham	X	X				X	X	X	X

**Attachment 7: Economic Development Organizations Operating in Northeastern Planning Region Municipalities**

<i>Municipality</i>	<i>Municipal</i>		<i>Local Nonprofit Business Association</i>			<i>Regional Organizations</i>			
	<i>EDC</i>	<i>Dept.</i>	<i>Chamber</i>	<i>Bus. Assoc.</i>	<i>Eco. Dev. Corp.</i>	<i>COG</i>	<i>Chamber</i>	<i>Eco. Dev. Corp.</i>	<i>Other Entity</i>
Ashford	X					X	X	X	X
Brooklyn	X					X	X	X	X
Canterbury	X					X	X	X	X
Chaplin						X	X	X	X
Eastford						X	X	X	X
Hampton						X	X	X	X
Killingly	X	X				X	X	X	X
Plainfield	X					X	X	X	X
Pomfret	X					X	X	X	X
Putnam	X	X				X	X	X	X
Scotland						X	X	X	X
Sterling	X					X	X	X	X
Thompson	X					X	X	X	X
Union						X	X	X	X
Voluntown	X					X	X		X
Woodstock	X					X	X	X	X